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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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Elaine Scott Mason

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VERIZON
PATENT MANAGEMENT GROUP
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EXAMINER

BORLINGHAUS, JASON M

ART UNIT

PAPER NUMBER

3693

NOTIFICATION DATE

DELIVERY MODE

08/19/2009

ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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Office Action Summary	Application No. 09/805,632	Applicant(s) MASON, ELAINE SCOTT	
	Examiner JASON M. BORLINGHAUS	Art Unit 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 11 May 2009.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-42 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-42 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Acknowledgements

The examiner for this application has changed. Please indicate Examiner Jason Borlinghaus as the examiner of record in all future correspondences.

In view of the recent changes to the 101 rules, PROSECUTION IS HEREBY REOPENED. A new grounds of rejection under 35 U.S.C. 101 is set forth below.

To avoid abandonment of the application, appellant must exercise one of the following two options:

(1) file a reply under 37 CFR 1.111 (if this Office action is non-final) or a reply under 37 CFR 1.113 (if this Office action is final); or,

(2) initiate a new appeal by filing a notice of appeal under 37 CFR 41.31 followed by an appeal brief under 37 CFR 41.37. The previously paid notice of appeal fee and appeal brief fee can be applied to the new appeal. If, however, the appeal fees set forth in 37 CFR 41.20 have been increased since they were previously paid, then appellant must pay the difference between the increased fees and the amount previously paid.

A Supervisory Patent Examiner (SPE) has approved of reopening prosecution by signing below:

/James A. Kramer/
Supervisory Patent Examiner, Art Unit 3693

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114 was filed in this application after appeal to the Board of Patent Appeals and Interferences, but prior to a decision on the appeal. Since this application is eligible for continued examination under 37 CFR 1.114 and the fee set forth in 37 CFR 1.17(e) has been timely paid, the appeal has been withdrawn pursuant to 37 CFR 1.114 and prosecution in this application has been reopened pursuant to 37 CFR 1.114. Applicant's submission filed on 5/11/09 has been entered.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1 – 7 are rejected under 35 U.S.C. 101 because, in order to comply with §101 a process must (1) be tied to another statutory class of invention (such as a particular apparatus or system for performance of the claimed process) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing.

The method, recited in Claims 1 - 7, fail to (1) be tied to another statutory class of invention or (2) transform underlying subject matter to a different state or thing.

Diamond v. Diehr, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972). There is no recitation within the

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claims to indicate that the steps that comprise the method are nothing but steps performed by a human being, alone, either physically or mentally.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1 – 42 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kitchen (US Patent 6,289,322) in view of Gafney (Gafney, Leo. *Practical Merchandising Math*. John Wiley & Sons. 1996, pp. 12 – 16 and 19 – 20).

Regarding Claim 1, Kitchen discloses a method for providing an on-line billing system (see abstract), the method comprising:

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- retrieving customer invoice information (electronic billing statement) that includes an invoice due date (due date) and an invoice amount (amount due). (see fig. 11);
- displaying the invoice amount. (see fig. 11); and
- selectively receiving a payment input that authorizes a payment according to the invoice amount in advance of the invoice due date. (see fig. 11; col. 2, lines 1 – 5).

Kitchen does not teach a method comprising calculating a discount amount based upon the invoice amount nor performing further functions based upon said discount amount.

Gafney discloses a method comprising calculating a discount amount (discounted amount) based upon the invoice amount. (see p. 12).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Kitchen by incorporating the ability to calculate discount amounts, as disclosed by Gafney, thereby accommodating standard and conventional aspects of billing practices in an on-line billing system.

Regarding Claims 2 – 3, Kitchen discloses a method comprising displaying an invoice due date (due date). (see fig. 11).

Kitchen does not teach a method wherein the discount amount is valid for a pre-defined time period; nor calculating an expiration date defining the pre-defined time period.

Gafney discloses a method wherein:

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- the discount amount is valid for a pre-defined time period (within 10 days). (see p. 13); and
- calculating an expiration date (last day for discount is March 25) defining the pre-defined time period (within 10 days). (see p. 13).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Kitchen and Gafney by incorporating the ability to calculate early payment discounts, as disclosed by Gafney, thereby accommodating suppliers that “prefer to be to be paid as quickly as possible” (see p. 12) and encourage payors through early payment discounts.

Regarding Claim 4, Kitchen discloses a method comprising automatically applying the invoice amount based upon the payment input. (see col. 2, lines 1 - 5).

Kitchen does not teach a method wherein the discount amount is based upon a percentage of the invoice amount; calculating another discount amount based upon another percentage of the invoice amount; the another discount amount being associated with another expiration date; nor automatically applying either of the discount amounts based upon time of receipt of the payment input.

Gafney discloses a method wherein:

- the discount amount (discounted amount) is based upon a percentage (5%) of the invoice amount. (see p. 14);
- calculating another discount amount (discounted amount) based upon another percentage (4%) of the invoice amount. (see p. 14);

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- the another discount amount (4% discounted amount) being associated with another expiration date (within 60 days). (see p. 14); and
- automatically applying either of the discount amounts based upon time of receipt of the payment input. (see pp. 13 – 15).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Kitchen and Gafney by incorporating the ability to calculate early payment discounts, as disclosed by Gafney, thereby accommodating suppliers that “prefer to be to be paid as quickly as possible” (see p. 12) and encourage payors through early payment discounts.

Regarding Claims 5 – 7, Kitchen discloses a method further comprising executing an electronic fund transfer in response to the step of selectively receiving the payment input (payment authorization). (see col. 2, lines 1 – 5).

Kitchen does not teach a method further comprising determining whether criteria for receiving the discount amount are satisfied for a corresponding customer; selectively applying the discount amount based upon the determining step; nor wherein the criteria in the determining step include maintaining a zero outstanding charge by the customer.

Gafney discloses a method further comprising:

- determining whether criteria for receiving the discount amount are satisfied for a corresponding customer (payment before last day of discount). (see p. 14);
- selectively applying the discount amount (2% discount) based upon the determining step(payment before last day of discount). (see p. 14); and

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- wherein the criteria in the determining step include maintaining a zero outstanding charge (paying off invoice payment amount) by the customer.
(see p. 12).

Regarding Claims 8 - 42, such claims recite substantially similar limitations as claimed in previously rejected claims and, therefore, would have been obvious based upon previously rejected claims or are otherwise disclosed by the prior art applied in previously rejected claims. Such claim limitations are therefore rejected using the same art and rationale as previously utilized.

Response to Arguments

Applicant's arguments with respect to pending claims as cited in the Appeal Brief filed on 5/11/09 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JASON M. BORLINGHAUS whose telephone number is (571)272-6924. The examiner can normally be reached on Monday - Friday; 9am - 5:30pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James A. Kramer can be reached on (571)272-6783. The fax phone

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number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Jason M Borlinghaus/
Examiner, Art Unit 3693
August 13, 2009